

August 28, 1997

«VENDOR\_NAME»  
«ADDRESS»  
«CITY», «ST» «ZIP»

Dear Sirs:

Congress has requested federal regulators to assess, and provide periodic reports on, the Year 2000 compliance status of the institutions they regulate. The National Credit Union Administration (NCUA), as a regulator and insurer, is in the process of evaluating the Year 2000 compliance status of federally insured credit unions. Part of this process includes reviewing various credit union systems, whether developed in-house or purchased from a vendor. Your company has been identified as a vendor that provides a service to credit unions; therefore, we request that you complete and return the attached interagency<sup>1</sup> developed Year 2000 Questionnaire by September 24, 1997.

For those of you who received and responded to our first inquiry (May 9, 1997), we appreciate the time and effort you expended to provide us the information. This questionnaire is two part – the first section concerns your Year 2000 process and the second section requests information about the individual products you offer. We will use this information to update the information you provided to our first inquiry. Please note that the information you provide may be subject to public disclosure laws (such as Freedom of Information Act) and is consensual and voluntary.

The questionnaire is very similar to the one our examiners are using to evaluate the Year 2000 compliance status of federally insured credit unions. We structured this questionnaire in this manner so that we could coordinate the dissemination of information concerning the status of your various programs/products/systems. We believe this would reduce the burden on credit unions and their vendors. We propose to share this information with our examiners, credit unions, various state and federal agencies, and the public (most likely through our web page). By sharing this information, we will be able to educate our examiners on which systems are Year 2000 compliant thereby reducing the number of contacts and inquiries you may receive from your customers.

We have noticed that many vendors are periodically updating their customers on the Year 2000 status of their products. We commend those of you who have implemented such a program and encourage all vendors to implement such a program. The information you provide is vital to helping your customers achieve Year 2000

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<sup>1</sup> Federal Financial Institutions Examination Council, National Credit Union Administration, Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Office of Thrift Supervision.

compliance as well as providing information to our examiner staff. We expect that these information dissemination programs reduce the number of inquiries you may receive from your customers. For your information, we have attached a copy of some questions our examiners will be asking their credit unions. You may want to consider including the answers to those questions in your periodic updates to your customers. You may also obtain additional information concerning our Year 2000 examination program by visiting our Year 2000 area on our Web page (<http://ncua.gov/news/year2000/year2000.html>).

We are planning a vendor's conference to discuss Year 2000 issues and vendor concerns; specifically those that relate to credit unions and their systems. We propose to meet in the 4<sup>th</sup> quarter of this year for approximately one day. The location will be at or near a major airport. If you are interested in participating, please complete and return the Conference Survey. We will collate the responses, determine facility requirements, and provide participants with the conference details through another letter.

If you have any questions, please do not hesitate to contact Program Officer Roger Blake in our office at 703-518-6360.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Marquis", with a stylized flourish at the end.

David M. Marquis  
Director, Examination & Insurance

Enclosures

EI/RAB:rab  
SSIC #13200

cc: Executive Director  
Director of OTIS  
NASCUS Representative

## Year 2000 Questionnaire

(If you consider any of this information confidential commercial information, please identify those areas/items.)

<b>Company Name:</b>	«VENDOR_NAME»
<b>Address:</b>	«ADDRESS»
<b>City, State, Zip:</b>	«CITY», «ST» «ZIP»
<b>Contact Person:</b>	«CONTACT_NAME»
<b>Telephone:</b>	«TELEPHONE»

### Vendor Information Section

(Do not enter information in the shaded areas)

<b>Capability</b>	<b>Y,N,NA</b>
1. Are the institution's/vendor's information processing (hardware and software) and delivery (telecommunications) systems capable and ready to handle Year 2000 processing?:	
a. Hardware?	
b. Software?	
c. Telecommunication?	
<b>Overall Plan</b>	
2. Does the institution/vendor have a year 2000 problem resolution process that includes these basic phases:	
a. awareness of the problem;	
b. assessment of complexity;	
c. renovation;	
d. validation; and	
e. implementation?	
3. Has the institution/vendor prioritized internally and externally maintained systems (hardware, software, and operating systems)?	
4. Has the institution/vendor considered the impact of the Year 2000 on internal, environmental systems that are dependent on embedded microchips, such as vaults, security and alarm systems, elevators, telephones, FAX machines, and HVAC (heating, ventilation, and air conditioning)?	
<b>Resource Implications</b>	
5. Has the institution/vendor established a budget for the year 2000 effort?	
6. Has the institution/vendor determined whether they have sufficient resources (hardware, people, dollars, etc.) necessary to ensure Year 2000 processing capabilities?	
<b>Sponsorship/Monitoring</b>	
7. Has the institution/vendor assigned overall responsibility for the year 2000 effort to a senior manager?	

«VENDOR\_NAME»

8. Has the institution/vendor established project target dates and deliverables for the year 2000 effort?	
9. Does the process include regular reporting to and monitoring by senior management?	
10. Does the institution's/vendor's Year 2000 plan call for the renovation of all mission critical systems to be largely completed by December 31, 1998?	
a. If no, when does the institution/vendor expect to meet the requirements (date)?	
11. Will the institution's/vendor's testing for Year 2000 renovations be well under way, for mission critical applications, by December 31, 1998?	
a. If no, why not?	

### Product Information Section

#### Instructions:

- Software Product/Name:** List each product you offer.
- Type of Product:** Enter the type of product (i.e. software, hardware, telecommunication, other).
- Version#.ID:** Enter the version number or other identifying name/number.
- Year 2000 Ready:** If the product is Year 2000 ready, enter Y. If the product is not Year 2000 ready, enter the estimated date you anticipate it will be Year 2000 ready. If you do not plan to make the product Year 2000 ready, enter NA.
- Certified:** If the product has been certified as Year 2000 ready, enter Y. If the product has not been certified but you plan to have it certified, enter the anticipated date of certification. If the product has not been certified and you do not plan to have it certified, enter NA.

Product/Name:	Type of Product	Version#/ID	Year 2000 Ready (Y, Date, or NA)	Certified (Y, Date, or NA)

Please return this questionnaire to: National Credit Union Administration; Examination and Insurance; 1775 Duke Street; Alexandria, VA 22314-3428. This questionnaire is voluntary and consensual and possibly subject to public disclosure laws (see NCUA Rules and Regulations, Part 792.7).

## **Sample Examiner Questions**

(not all inclusive)

1. What is your definition of Year 2000 compliance?
2. Which products are Year 2000 compliant and which are non-compliant?
3. For those products which are non-compliant:
  - a) will they be made compliant?; and
  - b) when will they be compliant?
4. Which products are certified compliant? Is this an internal certification or independent 3<sup>rd</sup> party certification?
5. How do I obtain an upgrade to a Year 2000 compliant system?
6. Will there be a charge to upgrade to a compliant system, if so, how much?
7. How long will it take to install the upgrade?
8. What environment (software/hardware requirements) must I have to ensure my system is Year 2000 compliant?
9. How do I test my system to check Year 2000 compliance? If I accelerate my system dates, will I experience license and password expiration problems?
10. Are you working with 3<sup>rd</sup> party vendors whose products “hook” into your system to ensure that their products, and the interface, is Year 2000 compliant?

## Conference Survey

<b>Company Name:</b>	« VENDOR_NAME »
<b>Address:</b>	« ADDRESS »
<b>City, State, Zip:</b>	« CITY », « ST » « ZIP »
<b>Contact Person:</b>	« CONTACT_NAME »
<b>Telephone:</b>	« TELEPHONE »

Proposed Dates	# of Attendees (please limit # to 2)
November 13, 1997	
November 18, 1997	
November 20, 1997	
December 4, 1997	
December 11, 1997	

(Please select at least two dates.)

### Vendor Conference Agenda (Draft)

1. Year 2000 certification versus Year 2000 readiness:
  - a) what do they mean to you?;
  - b) independent 3<sup>rd</sup> party versus internal
2. Year 2000 timeline.
3. Sharing information with customers.
4. Electronic data processing contracts.
5. Environment issues and concerns:
  - a) hardware;
  - b) software;
  - c) interfaces.
6. Date Expansion versus Windowing.
7. International Date Standard format (CCYY/MM/DD).
8. 3<sup>rd</sup> party programs and utilities:
  - a) whose responsible?
    - i) applications sold by the primary vendor;
    - ii) applications sold by the 3<sup>rd</sup> party to the credit union.